

BUDGET REPORT FROM COUNTY COUNCILLOR JOHN REYNOLDS 29 JANUARY 2012

BUDGET DOES THE RIGHT THING FOR CAMBRIDGESHIRE COMMUNITIES

Developing Cambridgeshire's economy, helping people live independent and healthy lives and supporting and protecting the vulnerable are at the heart of the County Council's spending plans for 2012/13.

The proposals, which will form the Council's integrated plan, have been announced today (Wednesday 25 January) ahead of meetings of the Cabinet and Full Council.

Cabinet has listened to the public and produced proposals to increase spending in adult social care, invest in improving roads, transport and broadband, provide more school places as well as boosting business and housing.

Following a public consultation it is also proposed to raise Council Tax by 2.95 per cent to protect vital front line services as supported by residents and avoid a multi-million funding gap in the future.

The proposals include £610 million of capital investment over the next five years to make sure Cambridgeshire is open for business and to support prosperity, jobs, education and economic growth.

Councillors will be asked to back the £849 million budget and make £43 million savings following Government cuts of almost 25 per cent to the Council's revenue grant over the last two years. The proposals also confirmed the planned reduction of up to 154 full time equivalent posts from the County Council as announced to employees in November.

The proposals include an increase on last year of £6.4 million for Adult Social Care to protect the most vulnerable in society - some £188.5 million will be spent on Adult Social Care

Also the budget proposals include capital investment:

- * An investment of an extra £90 million over five years to improve the road network, increase safety and keep Cambridgeshire moving - this means a total of £33 million will be spent this year.
- * Children's services will spend £77 million, mainly on providing additional school places.

The budget is also designed to help boost business and the local economy with a £20 million investment in superfast broadband, £26 million for vital transport measures such as Chesterton Station and £29 million for a new link road to solve the Ely level crossing problem.

The extra money also will be spent on:

- * Securing library services and transforming them to provide a twenty first century service.
- * Providing an additional £100,000 for support to carers and a further increase in funding for the voluntary and community organisations such as the Care Network, to support volunteering
- * Protecting school crossing patrols
- * Promoting cycle training in schools - so it will be free at point of use
- * Continuing the U project which helps year 11 pupils progress into education, employment or training

Previous plans to reduce subsidised bus services will be phased over three years. This will be accompanied by a £1.5 million investment in targeted local transport schemes to make sure where possible alternative options are available before subsidised services are reduced.

The Council is already a very lean organisation in comparison with other councils and achieved £50 million savings last year. This includes working smarter and working with partners more, such as shared services with Northamptonshire County Council.

To make the required savings the Council will have to reduce its costs and work in different ways to deliver some services. Savings it makes in some areas will be reinvested in services to make sure tax payers are getting the most for their money.

Residents said in a public consultation they would be prepared to pay more in council tax to preserve essential services.

Councillors have listened to the public and suggested a Council Tax rise of 2.95 per cent to make sure extra investment can be made into vital front line services such as adult social care.

This means rejecting the one off payment offered by Government to councils to freeze Council Tax for this year. Taking this one off payment would have led to the Council having to make even more savings this year but an even greater increase in council tax in following years.

The rise still means Cambridgeshire has one of the lowest Council Tax rates in the country. If the Council were to take the money on offer from Government, it would leave the authority with a multi-million hole in its budget that would grow larger, to around £30 million over the next five years.

Councillor Nick Clarke, leader of Cambridgeshire County Council, said: "At the heart of this budget is the desire to do what is right for Cambridgeshire and our communities while meeting the challenging savings targets. We have listened closely to what residents have said and our proposals reflect our drive to promote Cambridgeshire as a place which is open for business and can lead UK PLC to recovery while providing local jobs and prosperity.

"We are protecting the most vulnerable in our society by investing more in adult social care while working harder to drive down savings and work better with partners to improve the quality of life and health for residents. We are pushing forward investment in roads and much needed major transport infrastructure to meet the growing demands of the County and keep business and residents moving. At the same time we are saving libraries and finding ways to better provide community transport.

"But it is a major challenge to make savings whilst investing where residents want us to. That is why we have listened to residents who said they would be prepared to pay more to protect services. Putting up Council Tax is right for Cambridgeshire. The alternative is a massive multi-million funding hole to fill in the future which would no doubt hit our most vulnerable residents."

The proposed increase would mean a Council Tax Band D household paying £30.87 a year more for County Council services.

The Government has offered to give Councils a one off payment this year rather than put up council tax. This equates to a rise of 2.5 per cent. However, as a one off payment this would not be available the following year and therefore to keep the services as they are and plan for inflation councils would be forced to hike up council tax by a greater amount the following years.

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